

Met Board of Trustees  
Board Meeting  
September 25, 2014  
E-Center Conference Room  
Metropolitan Regional Career & Technical Center

Present:

Dennis Littky, Nancy Bain, Lela Morgan, Stan Goldstein, Kas DeCarvalho, Lucas Lussier, Charles Walton, Omar Ajaj, Kenneth Bright, Herb Cummings, Keith Oliveira

Meeting called to order 8:10 AM

#### Audit Update

- The state comptrollers office has mandated how the audit is to be conducted at the Met.
- Auditors have been at the Met since June. The hope was that they would come to today's board meeting to report on the financials. However, that won't happen until the state finalizes its comments, the auditors submit a final draft to the state and lastly, the auditors come to the board and present their findings.
- As a result, the board will need to schedule a meeting in October for the auditor's presentation.
- It was decided an email would be sent out midweek next to determine a day that would suit everyone [action item].

#### Minutes

June 2014 minutes approved.

#### FY 2014 BUDGET

Lucas explained that the 2-page report in the board packet pertained to the last fiscal year because the first quarter of this fiscal year has not been completed.

- Revenues show a 'budget' and a 'revised budget' column because many funding sources weren't originally budgeted for.
- 'Actuals' is the cash base outlook and 'adjusted' is the status of the financials.
- A difference of more than 740k between the budget and the revised budget can be seen. State operating funds and local tuition are below what was budgeted because the enrollment number used to calculate the amount was different than the final, actual enrollment number, which made a difference in revenue. The Met budgets at full capacity (888 students); present enrollment is 845.

#### Additional Grant Revenues

- Title/RTTT/IDEA/Perkins Grant revenue added 454K in revenue. Unspent grant amounts listed carry over into this year.
- Also received was a RIDE emergency improvement grant for the HVAC system and a CTE Categorical Fund, which is a per-student amount + money from sending schools.
- Stan asked what Davies receives per student. Lucas will provide that amount in the future (action item). The 2014 budget was created before these allocations came in late June, so the numbers aren't reflected there.

#### Salaries, Taxes and Benefits

- Lower than the amount budgeted primarily due to maternity leaves.
- The largest over budget item was unemployment due to a rate change.

#### Health Coverage

- A change in staff insurance coverage from provider Blue Cross Blue Shield to United Health Care resulted in savings reflected on the sheet.
- Herb recommended that the Met keep the Health Source in mind: A corporation picks a plan that suits them and purchases it for employees. Employees then have choice of 15 different plans—some with more coverage, some with less. If it's less, the employee gets a credit-- more, and the employee pays; it's flexible and appears to be good for everyone. It is run by the state and a great option for small businesses.
- Dennis reminded the board that Nancy and Lucas spent months with staff preparing for the health insurance change-over. The Met works with the staff with the same care that is taken with the students.

#### General Expenses

- Lucas reported that everything was in line with the budget.

#### Technology

- 55k under budget; a result of spending less than expected on package items.

#### Cash and Investments

- Dennis began by stating that the Met is staying true to trying to save money for the future.
- Lucas reminded the board that they asked to see a breakout of everything, so that is reflected on the Met School Cash and Investments page. The fund balance has grown in the last 5 years. 6.4M is there to cover the cost of emergency improvements if state funds are not available and in the event that there are no changes in the legislature on the current funding formula.

- The motion was made that, pursuant to the express recommendation of RI Department of Education CEO Carolyn Diaz, it is the stated intention of the Board and shall be the organization's policy that assets held in the [fund] are allocated for the purpose of preserving and prolonging the mission and operations of the school at such time when the current regional, State or other funding shall not be available to sustain the Met's operating costs, including in particular but without limitation the currently forecasted deficits for FY's 2017-2020. Motion passed.
- In response to Herb's inquiry at the last board meeting, Lucas followed up with state officers to find out what restrictions, if any, the Met has regarding interest yielding accounts.
  - The results: State Statute Title 35 Section 10 imposes restrictions on the types of investments that can be made with certain dollars—i.e. pension, etc.
  - The General Treasurer is bound with creating an investment policy that reflects Statute 35—one can have investments that last no longer than 1 year and must be low risk accounts, meaning the Met can only invest in a money market, regular savings account or a certificate of deposit
  - The Treasurer would be willing to come speak more about the investment rules, but what the account is earning now is on par with the State.
  - Stan suggested that the Treasurer be invited to an upcoming board meeting (action item).
  - Omar asked if calling the money "capital improvement money" would make any difference in how it is regulated. Lucas promised to look into it (action time).
- Stan asked for a more current E-Center Balance. Lucas will provide that number at the next board meeting (action item).

#### Advocacy

- The Met's lobbying group, Frank McMahon, Dennis met last week to discuss advocacy.
- The big push recently has been to change the current state school funding formula to reflect a 1/3 increase to the Met as technical schools elsewhere receive.
- It is still not a reality, although closer than it has been before—it made it into committee.
- Dennis explained that the increase in the funding formula is the only way to solve the financial problem and working towards that will continue to be a priority.

### General Information

- Board member Rob moved to San Diego which will create an opportunity for a new board member.
- The Met board is nicely diverse, but going forward, Dennis asked the board to consider [politically] what do they need?
- First and foremost, the candidate must believe in the Met.
- After brainstorming for a few minutes, Dennis suggested that he send out a letter/email in the next week listing the possibilities as food for thought to discuss at the next board meeting (action item).

### IN THE NEWS

- Electric Boat interns Justin & Caleb
- Dance Troupe created by Met alumni (Dennis: the Met is finding lots of kids making it in the music field, because in most schools music is on the side) i.e. Deer Tick
- Leadership award in environmental studies goes to a Met student
- Universal Lunch option debuts in Rhode Island at the Met
- Open House Dates have been set for the fall
- Family Halloween Fun Day posters distributed (for families & young children; Met students staff it)

### STUDENT SPEAKERS

Students arrived to share their Met experiences, past experiences, and future plans. When asked what the Met needed in order to be even better, the answers included:

- Structured science class
- More art classes—the basics drawing painting video
- Lose the fire wall

Omar responded to the request for more art by stating that his division would be more than happy to come to campus and provide resources to do something, perhaps quarterly.

MEETING ADJOURNED 9:49 AM.